

EXECUTIVE SUMMARY

Fourth Quarter 2017 Compared to 2016

The financial results for the **fourth** quarter of **2017** showed a **decrease** of \$9 million in income before transfers compared to the same period last year.

Operating revenue **increased** \$21 million when compared to the same period in **2016**. The primary drivers for this were **higher** energy sales and demand usage. This quarter, kWh sales were **up** 5% from last year, primarily in Retail, Industrial, and Central categories. Degree days were **up** 13% from the same quarter last year.

Operating expense for the **fourth** quarter of **2017** was **up** \$14 million. The main contributor was **higher** net fuel and purchased power expense due to **higher** kWh sales and a shift in generation mix. Smaller variances were spread among the remaining cost categories.

Interest charges were **higher** by \$15 million compared to last year resulting from a current year decrease in capitalized interest associated with V.C. Summer nuclear units 2 and 3.

Other revenue (expenses) change was due to a **decrease** in the Fair Value of Investments.

Costs to be Recovered from Future Revenue (CTBR) expense was **lower** by \$800,000 compared to last year.

Overall, income before transfers for the **fourth** quarter showed a **decrease** when compared to the same period last year as a result of these factors.

Combined Statements of Net Position
As of December 31, 2017 and December 31, 2016
Millions of Dollars
Unaudited

	December 31, 2017	December 31, 2016
Current assets		
Unrestricted funds	\$1,472.5	\$816.7
Restricted funds	234.7	880.0
Fuel inventory	414.7	584.3
Other current assets	496.5	498.2
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Total current assets	2,618.4	2,779.2
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Noncurrent assets		
Total utility plant - net	4,800.4	8,209.1
Cost to be recovered	229.9	234.2
Regulatory asset - ARO	694.0	672.0
Regulatory assets	4,248.5	0.0
Other noncurrent assets	369.5	343.8
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Total noncurrent assets	10,342.3	9,459.1
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Deferred outflows of resources	239.7	271.5
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Total assets & deferred outflows	\$13,200.4	\$12,509.8
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Current liabilities		
Current debt and interest	\$462.4	\$588.4
Other current liabilities	401.5	328.2
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Total current liabilities	863.9	916.6
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Noncurrent liabilities		
Pension liability	338.8	325.0
Asset retirement obligation liability	730.0	739.8
Regulatory liability - Toshiba settlement	898.2	0.0
Long-term debt-net	7,897.1	8,134.9
Other noncurrent liabilities	114.2	121.2
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Total noncurrent liabilities	9,978.3	9,320.9
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Deferred inflows of resources	236.9	242.0
Total net position	2,121.3	2,030.3
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Total liabilities & deferred inflows	\$13,200.4	\$12,509.8
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Combined Statements of Revenues, Expenses and Changes in Net Position

Millions of Dollars

Unaudited

	<i>Current Quarter</i>		<i>12 Months to Date</i>	
	Oct 1 - Dec 31		Jan 1 - Dec 31	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Operating revenue	\$405.3	\$384.6	\$1,757.0	\$1,745.7
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O&M expense	298.4	285.6	1,171.5	1,193.0
Depreciation & sums in lieu of taxes	47.0	45.4	185.7	181.9
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Operating expense	345.4	331.0	1,357.2	1,374.9
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Operating Income	\$59.9	\$53.6	\$399.8	\$370.8
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Nonoperating revenues (expenses)				
Interest charges	(89.0)	(74.3)	(272.9)	(243.6)
Other revenues (expenses)	4.6	5.8	(13.9)	(12.7)
Costs to be recovered	(0.9)	(1.7)	(4.3)	(6.7)
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Total nonoperating revenues (expenses)	(85.3)	(70.2)	(291.1)	(263.0)
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Income before transfers	(\$25.4)	(\$16.6)	\$108.7	\$107.8
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